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Draft report**Addendum**

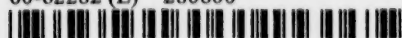
Rapporteur: Mr. Amjad Hussain B. Sial (Pakistan)

Programme questions: outline of the proposed programme budget for the biennium 2002-2003 (item 3 (c))

1. At its 28th and 29th meetings on 21 and 22 August 2000, the Committee considered the report of the Secretary-General on the proposed programme budget outline for the biennium 2002-2003 (A/55/186).
2. The Controller introduced the proposed programme budget outline for the biennium 2002-2003 and responded to the questions raised during the Committee's consideration of the report.

Discussion

3. The delegations reaffirmed General Assembly resolutions 41/213 of 19 December 1986 and 42/211 of 21 December 1987 and noted that the proposed programme budget outline was submitted in accordance with those resolutions.
4. The timely submission of the outline was welcomed. It was hoped that the programme budget fascicles would also be submitted by April 2001, in compliance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation.
5. It was stated that the outline, as a political document, was an important step in the budgetary process since it gave Member States the opportunity to reflect on estimated overall resources prior to the submission of the Secretary-General's proposed programme budget for the biennium. The outline provided the Secretary-General's first indication of the resources that would be needed to carry out all the mandated activities of the Organization. The budget outline was a preliminary indicative estimate and not a preliminary programme budget. It was observed that



the outline had been formulated in accordance with priority areas recommended by the Committee for approval by the General Assembly in the context of the medium-term plan for the period 2002-2005 and that it would guide the Secretariat in implementing the objectives and mandates set by the Member States in an efficient and effective way.

6. The exclusion of a provision for special political missions was regretted. It was recalled that the Secretary-General, in his statement on the proposed programme budget outline for the biennium 2000-2001, had indicated that the need to incorporate relatively large unspecified and unpredictable resource provisions within the budget after the adoption of the budget outline and mid-way through the biennium had to some extent undercut the basic purpose of the outline. Therefore, a better solution was required in order to adequately finance mandated political missions as needs arose without negatively affecting other mandated programmes and activities. Pursuant to the recommendations of the Secretary-General and the Advisory Committee on Administrative and Budgetary Questions, a provision for special political missions in the programme budget outline had been approved by the General Assembly in its resolution 53/206 of 18 December 1998. It was stated that the relevance of the provisions of that resolution had been confirmed by the number of successful special political missions undertaken since then. Concern was expressed that the exclusion of a provision for special missions would give rise to a situation similar to one that occurred during the 1996-1997 biennium, where other mandated activities had to be curtailed to accommodate activities related to good offices, peacemaking and preventive diplomacy missions. There should not have been a linkage between the non-inclusion of a provision for special political missions and the report of the Panel on United Nations Peace Operations, which was yet to be issued and considered by the General Assembly.

7. It was stated that the Secretary-General should present complete and transparent proposals regarding preliminary estimates of resources for special political missions according to resolutions 41/213 and 53/206 in the proposed budget outline, which clearly indicated the overall level of resources envisaged for the budget 2002-2003. In that regard, it was requested that the General Assembly should be provided, during its fifty-fifth regular session, with all related proposals in the context of the proposed budget outline, in order to consider them in a coherent, transparent and integral manner.

8. Concern was expressed that the proposed budget outline did not contain resources for strengthening the security and safety of United Nations personnel. The importance of providing adequate resources for that purpose was emphasized. It was noted in that connection that specific provisions were not identified in the 2002-2003 outline for the follow-up of a number of special conferences held during 2000-2001.

9. The Committee took note of the increase in resources in certain areas of activities. In that regard, it recalled that all mandated programmes must be fully funded; in particular, the priority areas approved by the General Assembly must be allocated adequate resources in the detailed formulation of the proposed programme budget.

10. It was stated that all proposals that the Secretary-General would present for the budget 2002-2003 should be directed to ensure the full implementation of all

programmes and mandated activities. Any measure or procedure aimed at ensuring efficiency or economies should have the same objective.

11. The intention of the Secretary-General to revert to a number of issues and their effects on the outline later in the fifty-fifth session of the General Assembly was noted. In that connection, it was observed that the exclusion of those activities envisaged for 2002-2003 in the programme budget outline limited the Committee's capacity to comment on the overall level of resources. It was stressed that the level of resources proposed in the budget outline should provide adequate resources for full, effective and efficient implementation of all mandated programmed activities.

12. It was observed that the elimination of obsolete activities, to be effected in accordance with Regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, should not be carried out for the purpose of achieving savings. That exercise was a prerogative of Member States.

13. It was stated that budgetary discipline should not be equated with zero nominal growth or negative growth. The General Assembly should review the matter, as the United Nations was increasingly being denied the means and the necessary resources to implement efficiently and effectively its mandates and programmes. At the same time, the view was expressed that rigorous scrutiny would need to be undertaken to achieve additional cost-effective measures and simplified procedures in order to release resources for additional mandated activities and higher priority issues. Support was expressed for increasing the number of posts for the maintenance of the Integrated Management Information System.

14. It was strongly emphasized that, during the reform period, the United Nations, or any other United Nations system organization for that matter, must firmly adhere to the budgetary policy of zero nominal growth or even negative nominal growth. Therefore, when the Secretary-General submitted his additional proposals at a later stage, he must identify compensating economies so as not to affect the overall level of the budget outline.

15. It was noted that the priorities of the proposed programme budget outline reflected those of the medium-term plan for the period 2002-2005.

16. It was regretted that compensating economies were not identified in the proposed programme budget outline, as had been done in the last proposal of the Secretary-General.

17. Satisfaction was expressed at the Secretary-General's stated intention to pursue efficiency savings and identify obsolete activities for reduction and/or termination. At the same time, the question was raised as to why it was not possible to develop precise estimates of savings to be achieved from implementing mandated activities more efficiently and economically.

18. Questions were raised about the proposal to set the Contingency Fund at 0.75 per cent of the budget, especially in the light of information from the Secretariat showing that the Fund had been underutilized during the last five bienniums.

19. A view was expressed that special attention should be given to the projects initiated in the biennium 2000-2001, such as the United Nations Office in Nairobi, and the subregional Centre for Human Rights and Democracy. In that regard, it was

recommended to the Secretary-General to allocate enough resources to strengthen those projects in the context of the programme budget 2002-2003.

Conclusions and recommendations

20. The Committee considered the outline, using as a framework the four elements listed in paragraph 1 of the report of the Secretary-General, in accordance with General Assembly resolution 41/213, annex I:

- (a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;**
- (b) Priorities, reflecting general trends of a broad sectoral nature;**
- (c) Real growth, positive or negative, compared with the previous budget;**
- (d) Size of the contingency fund expressed as a percentage of the overall level of resources.**

21. The Committee took note of the report of the Secretary-General on the proposed programme budget outline for the biennium 2002-2003 (A/55/186) and recommended that the General Assembly should give further consideration to all the aspects contained in the proposed programme budget outline, in the light of the discussions reported above and taking into account the following:

(a) The preliminary estimates should be adequate for the full implementation of all mandated programmes and activities, including the projects initiated in the biennium 2000-2001, according to legislative intent and in the most effective and economical manner;

(b) The Committee regretted that full information on the preliminary estimate of resources was not available in the proposed budget outline despite General Assembly resolutions 41/213 and 53/206;

(c) The Committee recalled resolution 53/206, in which the General Assembly endorsed the proposal of the Secretary-General that provisions should be made in the budget outline for expenditures for special political missions related to peace and security expected to be extended or approved in the course of the biennium;

(d) While noting that the Secretary-General would reflect, in his budget submission, additional cost-effective measures and simplified procedures, the Committee recommended that the Secretary-General's review of possible obsolete activities should remain within the context of relevant Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation;

(e) The Committee emphasized that Member States should demonstrate their commitment to the United Nations by, inter alia, meeting their financial obligations in full, on time and without conditions, in accordance with the Charter of the United Nations and the United Nations Financial Regulations and Rules;

(f) The Committee recommended approval of the priorities contained in paragraph 10 of the report of the Secretary-General on the proposed programme budget outline for 2002-2003;

(g) The size of the contingency fund should be 0.75 per cent of the budget outline.
